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## *Community Development Block Grant (CDBG) – Public Facilities for Economic Development*

### **Program Summary:**

The State of Wisconsin receives repaid Community Development Block Grant (CDBG) funds from the local Revolving Loan Funds (RLF's) and uses the repaid funds to support infrastructure projects that result in economic development projects that spur job creation for low to moderate income (LMI) residents located in Wisconsin communities of under 50,000 residents. The State will grant funds to a municipality.

**Grant Amount:** Grants up to \$500,000 based on an allowance of up to \$35,000 per job created or 50% of eligible infrastructure costs.

**Eligible Uses of CDBG Loan Funds:** Grant funds can be used by the Unit of General Local Government (UGLG) for public infrastructure projects that support business expansion or retention. Examples of eligible projects include new or improved water and sewer service and streets that result in business expansion and job opportunities for low- and moderate-income individuals.

**Job Creation:** Project must create/retain jobs and be documented for a period not to exceed 24 months.

**Local Match Requirement:** The UGLG must bring 50% of the funds to the CDBG project. However, those funds can come from financial institutions, economic development agency, other grants or loans. 10% of the overall grant must be funded by the UGLG.

### **Application Process:**

Application can be submitted to Wisconsin Department of Administration at any time. Funds will be allocated on a first come basis.

### **Items of Note – Employer/Community Documentation Requirements:**

These grants use federal funds; therefore, there are a number of grant documentation requirements:

- CDBG funds must be used to benefit low-to moderate income (LMI) individuals.
- Jobs created must be made available to those LMI individuals.
- At least 51% of the hires must be LMI individuals.
- Self-certification forms of family income on new hires shall be used to track hiring of LMI.
- Environmental reviews (ERRs) must be completed.
- Job-pirating is prohibited. The business cannot be lured from one labor market to another with the use of CDBG funds.
- Relocation; eminent domain may not be used to disrupt another business or homeowner for the benefit of business expansion.
- The municipality must follow a CDBG citizen participation plan – i.e., have a public hearing on the

proposed use of CDBG funds. A second hearing must be held towards or at the end of the project documenting the results of the project.

- The community must agree to undertake at least three (3) activities to support fair housing: such as posting poster at public office. Municipalities have financial obligation to repay CDBG grants to the State and/or the U.S. Department of Housing and Urban Development (HUD) if the project does not meet a national objective.
- Davis-Bacon and Related Acts labor standards apply to PFED projects.